



April 9, 2003

TO: Transportation Managers, Bay Area Public School Districts
Other interested parties

FROM: Thomas Perardi
Director of Planning

SUBJECT: Lower-Emission School Bus Program

The Bay Area Air Quality Management District (Air District) is pleased to announce that funding has been secured to continue assistance to local public school districts in replacing older, high-emitting diesel school buses with new low-emission buses. Since 1992, the Air District has assisted 48 school districts with the purchase of new natural gas and diesel powered school buses.

The Air District has approximately \$3.4 million available in 2003 to assist public school districts in removing additional high-emitting buses from their fleets. Most of the available funding will be allocated consistent with the requirements of the California Air Resources Board's "Lower Emission School Bus Program." A summary of these requirements is provided below. The Air District is also considering other options, as described below, for controlling emissions from existing buses. These options include lowering the amount that school districts would contribute towards the purchase of new buses, allowing funding to be used for repowering existing buses, and requiring participating school districts to install diesel particulate matter control devices on all eligible school buses in their fleets.

Requirements of the Lower Emission School Bus Program

The California Air Resources Board adopted revised guidelines for the Lower Emission School Bus Program on March 27, 2003. Much of the program remains unchanged. The main requirements of the program are provided below. The complete guidelines are available on CARB's website at www.arb.ca.gov/msprog/schoolbus/schoolbus.htm.

1. Only Bay Area public school districts that own and operate school buses, including school districts under provisions of a joint powers authority, can apply for funding to purchase new buses.
2. Only replacement buses will be funded. Fleet expansion buses are not eligible for funding.
3. The new buses purchased under this program must be owned and operated by the recipient school district for a minimum of five years after first use. (The Air District may add additional years to this requirement and require repayment of grant funds if a school district sells or otherwise discontinues use of a lower-emitting bus.)
4. Funding is available for new natural gas, propane, diesel and electric school buses. Engines must meet specified emission limits. Diesel buses funded through the program must operate on ultra low sulfur diesel fuel (maximum sulfur content of 15 ppm by weight)

- and be equipped with a diesel particulate filter. Natural gas buses must be equipped with an oxidation catalyst. Funding will be provided on a first-come, first-served basis.
5. All buses – both old and new – must have a Gross Vehicle Weight Rating greater than 14,000 pounds.
 6. All replaced buses must be in current use and have current California Highway Patrol (CHP) Certification.
 7. Funding requested for purchase of a bus shall be consistent with the prices and descriptions on the contract maintained by the State Department of General Services (DGS). School districts will be responsible for the cost of any options not included in contract base price, except for the purchase and installation of seat belts. Funding will cover prorated taxes and any DGS contract fees.
 8. School Districts will be responsible for paying up to \$10,000 towards the replacement of a pre-1977 school bus and up to \$25,000 towards the replacement of a school bus manufactured between 1977 and 1986. (See below for a proposal to reduce the amount of the required matching funds.)
 9. Priority shall be given to the replacement of school buses built prior to 1977. All pre-1977 buses in any given fleet must be replaced before any 1977 or later model may be considered for replacement. Any pre-1977 bus replaced under the program shall be destroyed.
 10. For school bus fleets with no pre-1977 buses, then heavy-duty diesel or heavy-duty gasoline (without catalytic converters) buses built between 1977 through 1986 are eligible for replacement. These buses shall be either destroyed or replace a CHP-certified pre-1977 school bus from any Bay Area fleet (not restricted to public school fleets). The displaced pre-1977 bus shall then be destroyed.
 11. A \$100 per day penalty will be assessed by CARB for each school bus delivered after September 1, 2004.

Proposed BAAQMD Policies

In general, the Air District proposes to distribute all available funds in accordance with CARB Guidance. We are requesting comments on the following additional policies.

- ✓ We are considering lowering the required matching fund requirements by \$10,000. School Districts replacing pre-1977 buses would not be required to contribute matching funds for the base price of the bus, as determined by the Department of General Services. School districts would be liable for the cost of any requested options that are not covered by the DGS contract. Similarly, school districts replacing 1977 to 1986 model year buses would need only contribute \$15,000 towards the DGS contract base price of the new school bus. School Districts would be liable for the cost of any requested options.

- ✓ In addition to replacing school buses, we are considering allocating up to \$750,000 for replacing engines in 1987 or newer school buses. Under this option, the Air District would cover the purchase price of the replacement engine and related hardware. School districts would be responsible for all labor costs. The replacement engine could be of any fuel type and compliant with CARB's 2004 emissions standards for heavy-duty engines. School districts undertaking diesel-to-diesel repowers would also have to install a CARB verified diesel particulate filter on the school bus. The Air District would cover the cost of the filter.
- ✓ We are considering requiring that any school district receiving a grant to either purchase a new bus or replace a bus engine would also install CARB verified diesel particulate filters or oxidation catalysts on any eligible diesel school bus in their fleet. The Air District would cover 100% of the purchase and installation cost of the selected control devices. Buses retrofitted through the program would have to operate on ultra low sulfur diesel fuel (maximum sulfur content of 15 ppm by weight). The Air District would provide a one-time cash incentive of \$500 per retrofitted bus to help pay for the ultra low sulfur fuel. More information on the verified control devices is available at www.arb.ca.gov/diesel/verifieddevices/verdev.htm.

Tentative Schedule

The tentative schedule for distribution of the Lower Emission School Bus funds is:

June 12 & 18, 2003	BAAQMD Board review/approval of program
June 20, 2003	Release of applications
July 18, 2003	Begin accepting applications
July 28, 2003	Funding awarded
August 30, 2003	Deadline to order new buses for replacement projects
November 30, 2003	Deadline to order new engines for repower projects
September 1, 2004	All new buses delivered; infrastructure completed; filters and engine repower installations completed.

Submit Comments

The Air District is accepting comments on the above proposals **until May 9, 2003**. Please submit comments to:

MAIL:	Michael Murphy Principal Environmental Planner BAAQMD 939 Ellis Street San Francisco, CA 94109	FAX:	415/749-4741
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To discuss the above proposals, or other aspects of the Lower Emission School Bus Program, please contact Mr. Murphy at 415/749-4644 or mmurphy@baaqmd.gov.